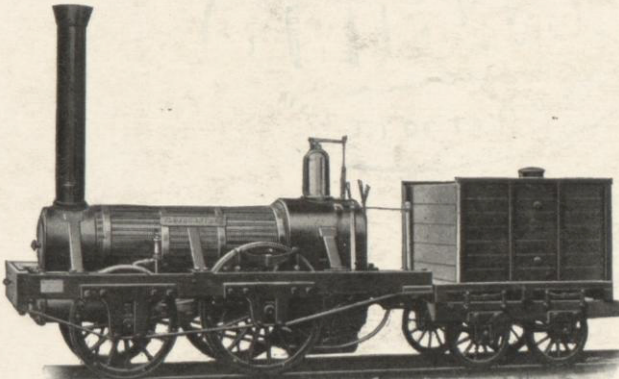


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CORPORATION FILE

The Baldwin Locomotive Works

Standard Steel Works Co.

PHILADELPHIA, PA., U. S. A.



Old Ironsides, 1831
Number One

Report

DECEMBER 31, 1926

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Sixteenth Annual Report

THE BALDWIN LOCOMOTIVE WORKS

December 31, 1926

THE BALDWIN LOCOMOTIVE WORKS

Incorporated under the Laws of the State of Pennsylvania

June 7, 1911

DIRECTORS

THOMAS S. GATES, Chairman

WILLIAM L. AUSTIN

SAMUEL M. VAUCLAIN

WILLIAM E. COREY

SYDNEY E. HUTCHINSON

SIDNEY F. TYLER

B. DAWSON COLEMAN

THOMAS G. ASHTON

ARTHUR W. SEWALL

JOHN M. HANSEN

FRANCIS M. WELD

ALVA C. DINKEY

Philadelphia

Rosemont, Pa.

Rosemont, Pa.

New York City

Philadelphia

Philadelphia

Lebanon, Pa.

Philadelphia

Philadelphia

Pittsburgh

New York City

Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN

JOHN P. SYKES

WILLIAM DE KRAFFT

ARCHIBALD H. EHLE

F. DE ST. PHALLE

JAMES MCNAUGHTON

CHARLES A. BOURGEOIS

JACQUES L. VAUCLAIN

HARRY GLAENZER

WILLIAM A. RUSSELL

HENRY V. WILLE

ARTHUR L. CHURCH

A. B. EHST

President

Senior Vice-President in Charge of Plants
and Manufacture

Vice-President in Charge of Finance, and
Treasurer

Vice-President in Charge of Domestic
Sales

Vice-President in Charge of Foreign Sales

Vice-President in Charge of the New York
Office

Vice-President in Charge of Manufacture

Vice-President in Charge of Plant and
Equipment

Vice-President in Charge of Engineering

Vice-President in Charge of Purchases

Consulting Vice-President Concerning
Engineering and Metallurgy

Secretary and Assistant Treasurer

Comptroller

GENERAL COUNSEL

MORGAN, LEWIS & BOCKIUS

Philadelphia

THE BALDWIN LOCOMOTIVE WORKS

General Offices of the Company

500 North Broad Street, Philadelphia

TRANSFER AGENTS

IN PHILADELPHIA: Fidelity-Philadelphia Trust Company, 415 Chestnut Street
IN NEW YORK: Bankers Trust Co., 16 Wall Street

REGISTRARS OF STOCK

IN PHILADELPHIA: The Pennsylvania Co. for Insurances on Lives and Granting Annuities, 15th and Chestnut Streets
IN NEW YORK: Guaranty Trust Company of New York, 140 Broadway

REPRESENTATIVES AND AGENTS

Chicago, Ill.	CHARLES RIDDELL	627 Railway Exchange
Houston, Texas	RUSSELL A. HEY	1108-9 Second National Bank Building
New York, N. Y.	JAMES MCNAUGHTON	120 Broadway
Pittsburgh, Pa.	CHAS. E. HALE	375 Union Trust Bldg.
Portland, Ore.	A. J. BEUTER	313 Northwestern Bank Building
Richmond, Va.	G. F. JONES	512 Richmond Trust Bldg.
St. Louis, Mo.	A. S. GOBLE	1210 Boatmen's Bank Bldg.
St. Paul, Minn.	HENRY BLANCHARD	908 Merchants National Bank Building
San Francisco, Cal.	LATHAM McMULLIN	Claus Spreckels Building
City of Mexico	PAUL G. CHEATHAM	2a Capuchinas, 48, D. F.
Africa	L. M. MCKUNE	Colonial Mutual Chambers, Johannesburg
Argentina	WALLACE R. LEE	Paseo Colon 187, Buenos Aires
Australia	R. TOWNS & Co.	31 Reiby Lane, Sydney, New South Wales
"	NEWELL & Co.	189 King Street, Melbourne, Victoria
"	LESLIE & Co.	959-61 Hay St., Perth, Western Australia

Brazil	C. F. DODSON	Rua da Alfandega 48, Rio de Janeiro
"	CORY BROS. & Co., LTD.	Bahia and Pernambuco
"	EDWARD C. HOLDEN	Para
Chile	WALLACE R. LEE	Edificio Ariztia, Santiago
China	ANDERSEN, MEYER & Co., LTD.	Shanghai and Peking
Colombia	A. B. HARDIE	Bank of Colombia Bldg., Bogota
Cuba and Jamaica	G. R. PEREZ	301 Edificio La Metropolitana, Havana
European Continent (Excluding Russia and Scandinavia)	PAUL NEGRIER	42 bis. Blvd. Richard Lenoir, Paris
Great Britain	ASHTON DORR	34 Victoria Street, London, S. W. 1
Hawaiian Islands	C. BREWER & Co., LTD.	Honolulu
India	F. T. SLAYTON	5 Dalhousie Square, Calcutta
Japan	SALE & Co., LTD.	Tokyo
Java	BECKER & Co.	Soerabaya
New Zealand	PHILIPS & PIKE, LTD.	Wellington
Peru and Ecuador	R. C. TINSLEY	Edificio Italia, Lima
Philippines	PACIFIC COMMERCIAL Co.	Manila
Porto Rico	R. CARRION	Bank of Nova Scotia Bldg., San Juan
Portugal	E. PINTO BASTO & Co., LTD.	64 Caes do Sodre, Lisbon
Scandinavia	OLAV BELSHEIM	Toldbogaden No. 8, Oslo, Norway

PLANTS

PHILADELPHIA AND EDDYSTONE
PENNSYLVANIA

STANDARD STEEL WORKS COMPANY

Incorporated under the Laws of the State of Pennsylvania
December 20, 1907

DIRECTORS

WILLIAM L. AUSTIN	Rosemont, Pa.
SAMUEL M. VAUCLAIN	Rosemont, Pa.
SYDNEY E. HUTCHINSON	Philadelphia
SIDNEY F. TYLER	Philadelphia
B. DAWSON COLEMAN	Lebanon, Pa.
ARTHUR W. SEWALL	Philadelphia
THOMAS S. GATES	Philadelphia

OFFICERS

SAMUEL M. VAUCLAIN	President
JOHN P. SYKES	Senior Vice-President in Charge of Plant and Manufacture
WILLIAM DE KRAFFT	Vice-President in Charge of Finance, and Treasurer
A. A. STEVENSON	Vice-President in Charge of Manufacture
FRANK K. METZGER	Vice-President in Charge of Sales
WILLIAM A. RUSSELL	Vice-President in Charge of Purchases
HENRY V. WILLE	Consulting Vice-President Concerning Engineering and Metallurgy
ARTHUR L. CHURCH	Secretary
A. B. EHST	Comptroller

PLANT

BURNHAM, MIFFLIN COUNTY
PENNSYLVANIA

To the Stockholders of The Baldwin Locomotive Works

The President submits to the Stockholders his report for the calendar year 1926—presenting:

The Baldwin Locomotive Works Summary of Operations, page 8.

The Baldwin Locomotive Works Balance Sheet, page 9.

Standard Steel Works Company Balance Sheet, page 10.

The Consolidated Balance Sheet, page 11.

The Report of Certified Public Accountants, page 12.

Throughout the year the Works were enabled to operate at approximately 40% capacity.

The foreign business improved greatly.

The transfer of equipment and operations to Eddystone has progressed satisfactorily.

It is expected to operate during 1927 on a 50% capacity basis.

S. M. VAUCLAIN,
President.

THE BALDWIN LOCOMOTIVE WORKS Summary of Operations, July 1, 1911—December 31, 1926

Year	Gross Sales	Profit	Reserves, Etc.	Dividend	Surplus For Year	Adjustments	Surplus
1911 (6 mos.)	\$14,589,645.26	\$1,671,419.32	-----	\$900,000.00	\$771,419.32	-----	\$771,419.32
1912	28,924,335.16	3,698,571.44	-----	1,800,000.00	1,898,571.44	-----	2,669,990.76
1913	37,630,969.21	4,017,800.33	-----	1,800,000.00	2,217,800.33	-----	4,887,791.09
1914	13,616,163.36	365,229.92	\$15,000.00	1,800,000.00	1,449,770.08*	-----	3,438,021.01
1915	22,083,011.06	2,867,816.17	40,000.00	1,400,000.00	1,427,816.17	-----	4,865,837.18
1916	59,219,057.99	9,444,641.91	3,960,854.87	1,400,000.00	4,083,787.04	-----	8,949,624.22
1917	98,263,865.33	11,193,840.66	2,888,118.36	1,400,000.00	6,905,722.30	\$15,800,000.00	55,346.52
1918	123,179,251.99	18,262,112.05	15,009,816.51	1,400,000.00	1,852,295.54	-----	1,907,642.06
1919	84,307,776.72	8,871,243.30	3,095,000.00	2,100,000.00	3,676,243.30	970,527.60	6,554,412.96
1920	73,542,666.49	8,407,269.75	3,978,751.03	2,800,000.00	1,628,518.72	2,830,505.69	11,013,437.37
1921	49,945,506.24	8,962,273.10	3,918,176.63	2,800,000.00	2,244,096.47	-----	13,257,533.84
1922	33,087,238.62	6,765,514.43	5,206,519.05	2,800,000.00	2,406,519.05	3,266,725.00	18,930,777.89
1923	102,762,075.28	11,931,521.93	8,215,057.62	2,800,000.00	916,464.31	-----	19,847,242.20
1924	26,080,352.27	1,920,026.77	600,000.00	2,800,000.00†	1,320,026.77	2,800,000.00‡	18,567,268.97
1925	27,876,064.14	196,563.95	-----	2,800,000.00†	196,563.95	2,800,000.00§	15,763,832.92
1926	47,891,668.91	6,492,422.39	608,515.42	2,800,000.00†	3,083,906.97	2,800,000.00	18,847,739.89
	\$842,999,668.03	\$105,068,267.42		\$33,600,000.00			

* Deficit

† From Reserves

‡ For Dividends 1925

§ For Dividends 1926

|| For Dividends 1927

THE BALDWIN LOCOMOTIVE WORKS

Summary of Operations for the Year Ending
December 31, 1926

Sales	\$47,891,668.91
Cost.....	44,080,415.86
<hr/>	
Manufacturing Profit.....	\$3,811,253.05
Other Income.....	3,857,661.05
<hr/>	
Gross Profit.....	\$7,668,914.10
Deduct Other Expenses, etc.	1,176,491.71
<hr/>	
Profit.....	\$6,492,422.39
Deduct	
Deferred Profit	\$153,515.42
Reserve for Taxes	455,000.00 \$608,515.42
<hr/>	
Net Profit	\$5,883,906.97

(Subject to revision to meet any changes in interpretation of Federal Tax Laws,
Regulations or Rulings.)

THE BALDWIN LOCOMOTIVE WORKS

Balance Sheet, December 31, 1926

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK:	
Land and Buildings	\$17,330,385.76	Preferred	\$20,000,000.00
Machinery and Fixtures	14,848,526.27	Common	20,000,000.00
			\$40,000,000.00
	\$32,178,912.03		
INVESTMENTS:		FIRST MORTGAGE BONDS	
Standard Steel Works Co.	\$7,041,501.31		10,000,000.00
Chicago Plant	449,784.56		
Dwelling House	5,880.00		
	7,497,165.87		
CURRENT ASSETS:		CURRENT LIABILITIES:	
Inventories	\$5,958,474.98	Accounts Payable	\$2,604,863.85
Accounts Receivable	8,405,125.57	Depositors' Saving Fund	1,602,337.74
Bills Receivable	2,256,435.42		4,207,201.59
Miscellaneous Securities	4,373,597.67		
Republic of Poland Bonds (5%) ..	2,920,000.00		
Roumanian Treasury Notes (7%) ..	574,265.00		
Argentine State Rys. (Notes)	607,850.00		
Mexican Govt. Rys. (Notes)	1,389,813.72	Accrued Interest on Bonds	\$83,334.00
Chinese Govt. (Kinchuan Ry.)	1,485,000.00	Interest Received in Advance ...	189,413.48
Republic of Colombia (Notes)	223,114.20		272,747.48
Cash	8,295,945.21		
	36,489,621.77		
DEFERRED CHARGES:		SURPLUS AND RESERVES:	
Engineers, etc.	\$ 7,483.16	Deferred Profit	\$1,446,603.20
Advances to Agents	98,296.38	Dividends, 1927	2,800,000.00
Prepaid Insurance	10,654.12	Removals and Taxes	1,983,941.17
	116,433.66	Total Reserves	\$6,230,544.37
SINKING FUND:		Surplus	18,847,739.89
First Mortgage Bonds	3,276,100.00		25,078,284.26
	\$79,558,233.33		\$79,558,233.33

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

STANDARD STEEL WORKS COMPANY

Balance Sheet, December 31, 1926

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK	
Land and Buildings.....	\$2,847,205.52	FIRST MORTGAGE BONDS.....	\$6,000,000.00
Machinery and Fixtures.....	7,201,150.92		1,400,000.00
	<u>\$10,048,356.44</u>	CURRENT LIABILITIES:	
		Accounts Payable	\$1,383,815.83
		Saving Funds	171,742.60
			<u>1,555,558.43</u>
CURRENT ASSETS:		RESERVES:	
Inventories	\$1,975,187.12	Income Taxes	597,932.71
Accounts Receivable	648,830.27		
Bills Receivable	5,191.34	SURPLUS:	
Marketable Securities	47,841.25	December 31, 1925	\$2,975,789.46
Cash	120,149.61		
	<u>\$2,797,199.59</u>	Profit, 1926	\$1,116,275.43
		Less Dividends	600,000.00
SINKING FUND:			<u>3,492,064.89</u>
2nd Liberty Loan Bonds	200,000.00		
	<u>\$13,045,556.03</u>		<u>\$13,045,556.03</u>

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

THE BALDWIN LOCOMOTIVE WORKS AND STANDARD STEEL WORKS COMPANY

Consolidated Balance Sheet, December 31, 1926

ASSETS		LIABILITIES	
PLANT AND EQUIPMENT:		CAPITAL STOCK:	
Real Estate, Machinery, Tools, etc.	\$42,227,268.47	The Baldwin Locomotive Works	\$40,000,000.00
INVESTMENTS, REAL ESTATE, ETC.	455,664.56	BONDED DEBT:	
CURRENT ASSETS	38,375,403.13	The Baldwin Locomotive Works	
DEFERRED CHARGES:		First Mortgage Bonds	\$10,000,000.00
Advances, Engineers, etc.	116,433.66	Standard Steel Works Co.	
SINKING FUND	3,476,100.00	First Mortgage Bonds	1,400,000.00
			11,400,000.00
		CURRENT LIABILITIES	4,851,341.79
		INTEREST	272,747.48
		SURPLUS AND RESERVES	28,126,780.55
			<u>\$84,650,869.82</u>

(Subject to revision to meet any changes in interpretation of Federal Tax Laws, Regulations or Rulings.)

STOCKWELL, WILSON & LINVILL

LAND TITLE BUILDING

PHILADELPHIA

To the Stockholders of THE BALDWIN LOCOMOTIVE WORKS

We have examined the books of The Baldwin Locomotive Works and Standard Steel Works Company for the year ending December 31, 1926. In further verification of assets appearing on the books, we inspected and counted the notes receivable, securities, cash in hand, and obtained confirmation of bank balances and securities held by banks for your account.

While we did not actually count and weigh the merchandise, materials and finished stock, we inspected the inventory sheets and many of the items thereon as to price, extensions and footings thereof. The basis of valuation throughout was cost or market, whichever was lower, except that goods-in-process under sales contracts were valued at cost.

An examination of the details of the accounts receivable shows them to represent current, good book accounts, all accounts known to be bad having been charged off.

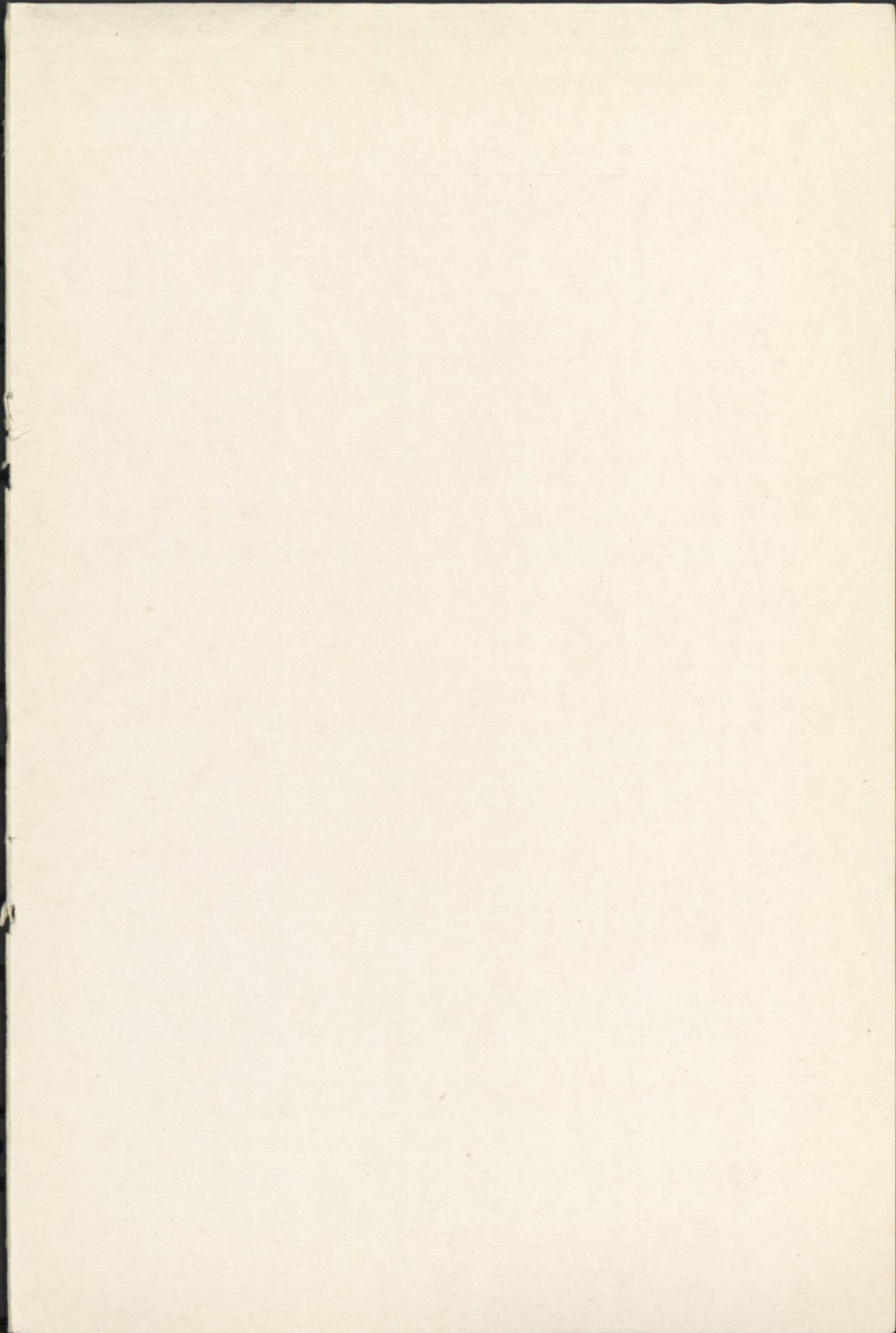
We did not make a physical inspection of the plant, but did examine the amounts added to the plant accounts during the year, and are satisfied that they constitute proper charges. Reserves have been set up for Federal taxes. No depreciation of plant and machinery has been taken.

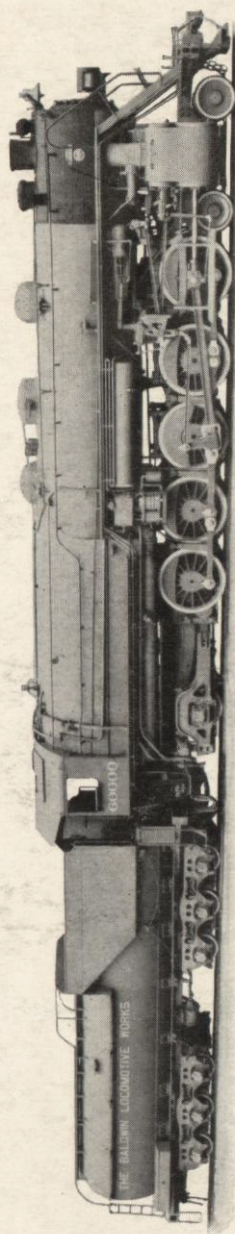
Subject to the foregoing, the consolidated balance sheet, in our opinion, represents the true financial condition of your company as of December 31, 1926.

STOCKWELL, WILSON & LINVILL

Certified Public Accountants

February 5, 1927.





Number 60,000 — 1926

NO. 60,000
1926
BALDWIN